



# House of Representatives

General Assembly

**File No. 317**

February Session, 2006

Substitute House Bill No. 5710

*House of Representatives, April 3, 2006*

The Committee on Planning and Development reported through REP. WALLACE of the 109th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION FOR RESTAURANTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1      Section 1. (NEW) (*Effective October 1, 2006, and applicable to assessment*  
2      *years commencing on or after October 1, 2006*) Any municipality may,  
3      upon approval of its legislative body, or in any town in which the  
4      legislative body is a town meeting, by the board of selectmen, abate up  
5      to one hundred per cent of the property taxes due for any taxpayer  
6      with respect to machinery and equipment and furnishings of  
7      restaurants

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2006, and applicable to assessment years commencing on or after October 1, 2006</i>	New section
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***Statement of Legislative Commissioners:***

The title was rewritten for accuracy.

***PD***      *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 07 \$</b>	<b>FY 08 \$</b>
Various Municipalities	See Below	See Below	See Below

**Explanation**

The bill allows municipalities that choose to do so to abate property taxes for machinery, equipment and furnishings of restaurants. Therefore such municipality could increase its mill rate or modify spending to offset any decrease in property taxes as a result of the reduction on their grand list.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis**

**sHB 5710**

***AN ACT ESTABLISHING A PROPERTY TAX EXEMPTION FOR RESTAURANTS.***

**SUMMARY:**

This bill allows towns to abate up to 100% of the property taxes on restaurant machinery and equipment. A town's legislative body must approve the abatement; the board of selectmen may approve in a town with a town meeting.

EFFECTIVE DATE: October 1, 2006 and applicable to assessment years beginning on and after that date.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 14 Nay 2 (03/17/2006)